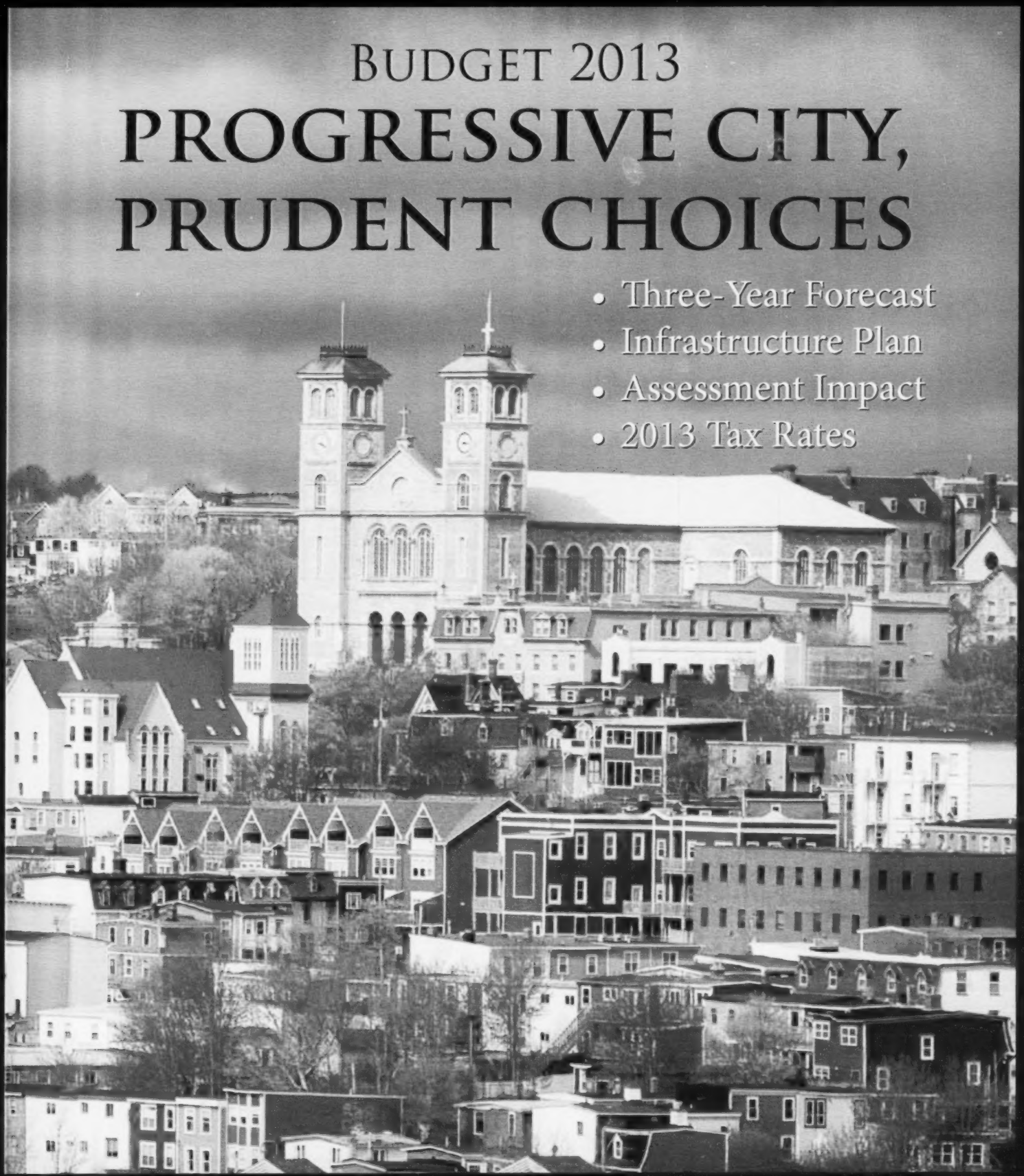
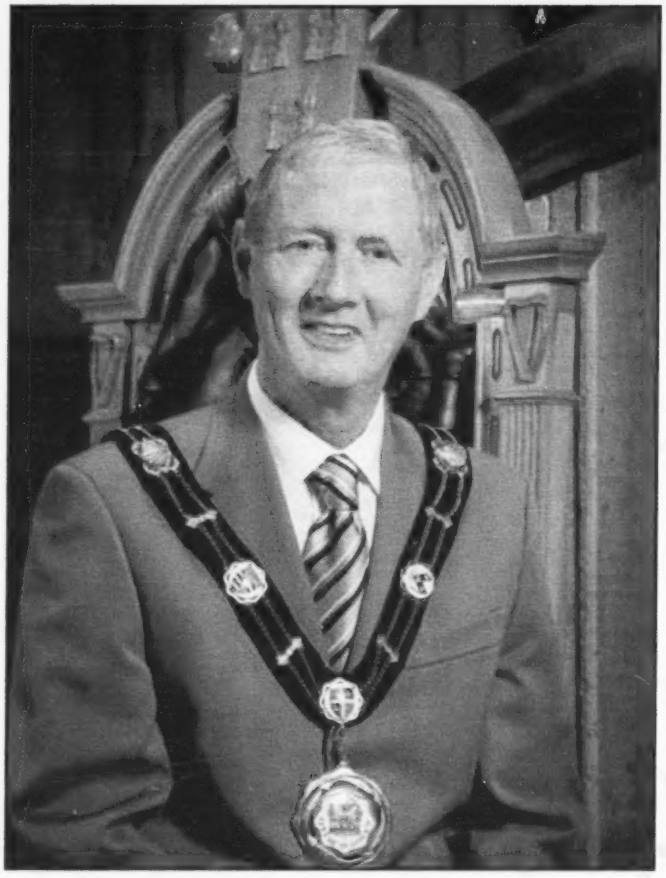

BUDGET 2013
PROGRESSIVE CITY, PRUDENT CHOICES
• Three-Year Forecast
• Infrastructure Plan
• Assessment Impact
• 2013 Tax Rates
ST. JOHN'S

Message from the Mayor



You only have to take a short drive through our City's historic downtown to see the impact of our strong economy as construction cranes dot the horizon on a daily basis.

The unprecedented economic growth we have seen in recent years will continue into the foreseeable future. However, with growth comes increased pressures to provide first class services and infrastructure to residents and businesses.

Our 2013 budget which you are about to read represents far more than a simple year's work. This is the first time we have ever delivered a three-year forecast and I have no doubt that this new three-year budget cycle will allow us to better manage our fiscal resources and ultimately provide our residents and businesses with better services and infrastructure.

I would like to take this opportunity to thank City Council and staff for all of their efforts to ensure we are able to deliver a 2013 budget that not only paints a vision of our City for the next three years, but also uses prudent fiscal practices to manage growth, provide a high level of service to our residents and focus on the key issues facing our growing City.

Sincerely,

Dennis O'Keefe

Dennis O'Keefe
Mayor, City of St. John's

Message from the Finance Chair

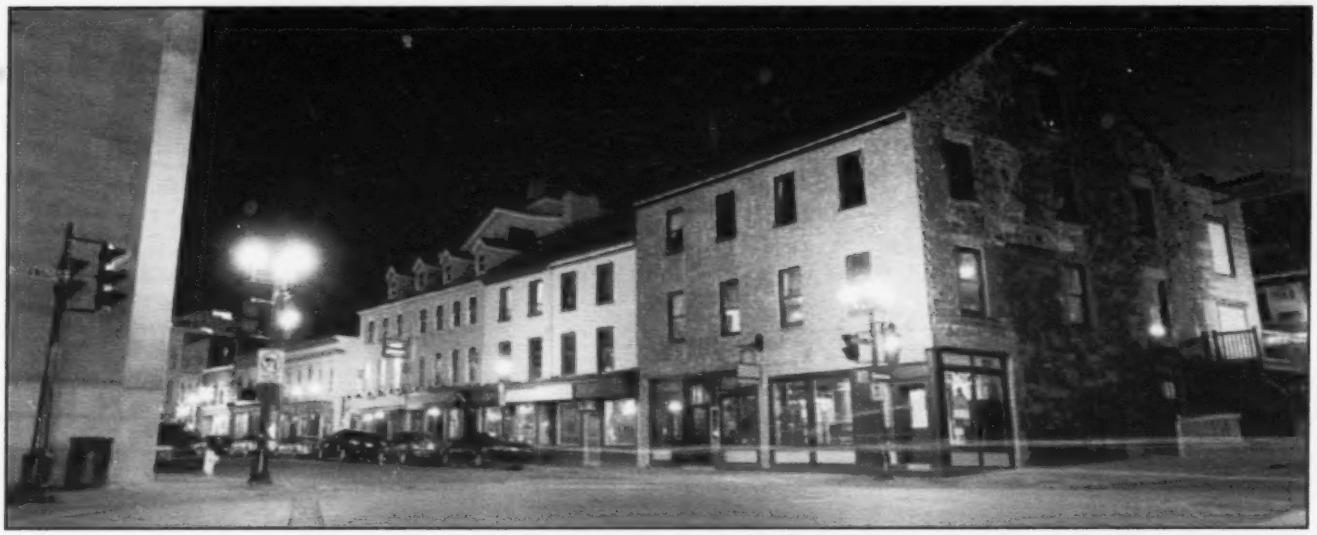
This year was a challenging budget process for the City of St. John's in many ways. Not only is it the first year of a new assessment cycle, but we have also taken a progressive step forward towards a three-year budget cycle that will allow us to more accurately budget to achieve our long-term goals as a municipality.

We are also blending the Business Occupancy Tax into the Business Realty Tax to form one tax for commercial properties in 2013. This has been 20 years in the making and we are pleased to have worked with the business community throughout this process to achieve this long-desired goal.

Finally, what has made this process particularly challenging this year was our goal to limit expenditure growth, while tackling our unfunded pension liability. The global economic recession has impacted pension funds across the world and the City of St. John's is no different. We are very pleased we have been able to limit our expenditure growth to under four per cent, while at the same time addressing some of the key issues facing our City.

Sincerely,

Danny Breen
Chair, Finance and Administration Standing Committee
City of St. John's



Introduction

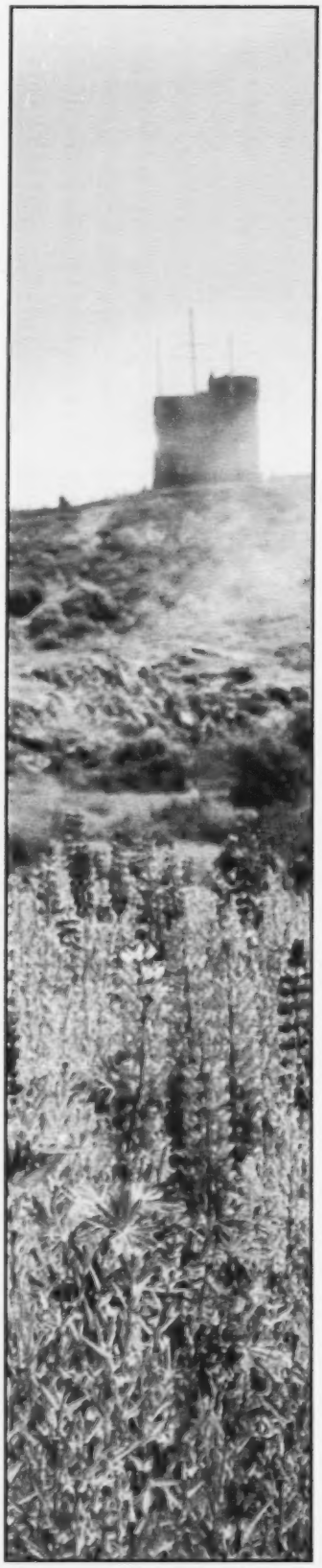
Our City is growing and changing at a rapid rate as economic growth spurs development across our City. As the capital city of Newfoundland and Labrador we must also grow and change as we develop new operating practices that allow us to meet the growing needs of our City.

The 2013 budget is reflective of our desire to develop a progressive and strategic long-term budgeting strategy. This year's budget is different in several respects.

In addition to the 2013 budget, we will also present an expenditure and revenue forecast for 2014 and 2015. This is the first step towards a three-year budget cycle intended to promote long-term planning and multi-year business plans in City departments.

This first step towards a three-year budget process coincides with the start of a new property assessment cycle which comes into effect on January 1, 2013 and also operates on a three-year cycle. The increase in economic activity in the City has driven population and business growth and in turn the demand for residential and commercial properties.

This demand has led to significant increases in property values, which are reflected in the 2013 property assessments. Residential properties, including residential vacant land, increased by an average of 47 per cent. Commercial property values, including commercial vacant land, increased by an average of 31 per cent. These large increases in property values within the City necessitated a re-examination of current residential and commercial tax rates during the budget process.



Another significant change for the 2013 budget is that the City will blend the Business Occupancy Tax into the Business Realty Tax. This will create a single flat rate tax applicable to all commercial properties and restore equity to the business tax system. This upgrade of our business tax system has been 20 years in the making for the City of St. John's and we are grateful for the support of the business community, particularly the Tax Blending Steering Committtee, throughout this process.

We also broadened our pre-budget consultation process for 2013. We held two focused public consultation sessions, including one session where organizations and individuals could give presentations to the City and another round table forum with an independent facilitator. In addition to these public sessions, we also used social media to engage the public.

These public engagement sessions are important ways for the City to gain a better understanding of the priorities residents want us to work on during the budget process. As an example, this year we were approached by St. John's Minor Baseball who advocated for increased funding for community sport organizations. As a result we have added an additional $100,000 in funding to support volunteer organizations.

Volunteers are the heart and soul of the City and we need to do what we can to support their efforts to provide quality of life opportunities to our residents.

We are listening and we will work towards further strengthening the consultation process for future budgets.

While there are many changes to the 2013 budget process, what hasn't changed is Council's commitment to fiscal discipline and prudent expenditure management.

The City continues to enjoy robust economic growth. The property reassessment process gives us a clear indication of the direct impact economic growth has on the City's revenue position. Between 2009 and 2012, the number of residential and commercial properties increased by approximately 1,900 units, representing a 5.2 per cent expansion of the tax base. That equates to approximately 1.7 per cent growth per year.

It is forecasted that the City's property tax revenue will continue to grow at a rate of 1.7 per cent per year, as long as the current level of residential/commercial development is sustained. It is important to highlight that:

- 1.7 per cent growth in property tax revenue is certainly lower than many would expect in today's booming economy. But, the City does not benefit directly from higher incomes, increased retail sales, higher gas prices, etc. Under the current Provincial-Municipal Fiscal Relationship, our over-reliance on property tax limits the direct benefit the City receives from economic growth to a fraction of what is received by the provincial government.
- What is also clear is that annual 1.7 per cent growth in property tax revenue is not sufficient to sustain the increasing cost of servicing a growing city like St. John's.

2012 Budget Update

Gross expenditures for 2012 are currently forecast to be under budget by about $1.5 million, representing a variance of less than one per cent on a $235 million budget. The forecasted saving of $1.5 million could disappear very quickly with a few early winter storms.

City tax revenue is projected at $179.8 million for 2012, compared to an original budget of $177.9 million, a positive variance of just over one per cent. Construction permit revenue is up significantly from $3.4 million to $4.2 million, as evidenced by the number of large buildings now under construction. Total revenue from all sources is actually up by approximately $6 million, but includes some non-recurring items such as recovery of Hurricane Igor damage costs at $1 million. Also included is a $1.5 million increase in tipping fee revenue at Robin Hood Bay Waste Management Facility, which is not available to the City to fund any other program expenses, as the facility is a regional operation. The City currently projects a surplus for 2012 in the range of $5 to $7 million. Of this amount, there is about $3 million we can reasonably expect to re-occur in future years and this has been factored into our 2013 to 2015 projections. Once the 2012 financial statements are completed the City will consider the options for use of the surplus.

Expenditure: budget and forecast

For 2013 the City has worked hard to ensure that our expenditures are kept to a reasonable level of growth. City expenditures are budgeted at $244.6 million. This represents a prudent 3.8 per cent increase over 2012 budget levels and re-affirms this Council's commitment to fiscal discipline.

At this level of expenditure, there will be no reduction in service levels to the public, but discretionary expenditures will be tightly managed.

Water/Wastewater Treatment
Water and wastewater treatment costs continue to escalate. The City continues to work to increase both the quantity and quality of water, and we remain committed to the Harbour clean-up.

- The Riverhead Wastewater Treatment Plant is scheduled to be fully operational by July, 2013. Wastewater System Effluent Regulations announced by the federal government this year will require the City and its regional partners to complete future upgrades to secondary processing, which will cost the City and region an estimated $135 million based on 2012 construction costs. In announcing the new regulations the federal government did not announce any funding programs to assist municipalities in making the necessary upgrades, which the Federation of Canadian Municipalities estimates at $20 to $40 billion nationwide.

Expenditure: budget and forecast

- The new Bay Bulls Big Pond Dissolved Air Flotation (DAF) Treatment System should be operational by July, 2013. This system will provide water users of the Regional Water System in St. John's, Mount Pearl, Paradise, Conception Bay South and Portugal Cove-St. Philips with enhanced water quality.
- The new Petty Harbour-Long Pond Treatment Plant is expected to be operational by November, 2013. The significance of this project cannot be understated. This $50 million project was undertaken by the City of St. John's, with the financial support of the federal and provincial governments. It will increase the supply of water by approximately 15,000 cubic meters per day. While it may be a City of St. John's funded project, the communities of Mount Pearl, Conception Bay South, Paradise and Portugal Cove – St. Philips will also benefit economically. When Petty Harbour-Long Pond comes on stream, St. John's will reduce its draw on Bay Bulls Big Pond, essentially making more water available to the other communities which rely on this source.

Water/Wastewater Treatment Costs (millions of dollars)

	2012 Budget	2013 Budget	2014 Forecast	2015 Forecast
Water	$25.3	$26.9	$30.4	$30.8
Wastewater	$9.9	$9.8	$11.7	$11.8
Total	**$35.2**	**$36.7**	**$42.1**	**$42.6**

The budget and forecast numbers are reflective of the new treatment plants becoming fully operational, as well as the City beginning to repay the principle and interest on the funding for these projects.

Expenditure: budget and forecast

Subsidies

St. John's Sports & Entertainment Ltd. operates Mile One Centre and the St. John's Convention Centre on behalf of the City and has made great strides forward in recent years. Over the past five years the corporation has successfully reduced its operating losses to the point where it's subsidy was half of it's 2008 value of $2 million. In 2013 the subsidy will be reduced yet again to $750,000 down from $1 million in 2012.

The City also provides a subsidy to Metrobus Transit which will increase from $10.5 million in 2012 to $11.1 million for 2013. Metrobus will also be moving into its new depot in 2013, which was built at a cost of $34.2 million, cost shared between the federal government and the City.

Affordable Housing

The City of St John's is investing millions of dollars in affordable housing in the Pleasantville area and in conjunction with the Government of Canada and Newfoundland and Labrador Housing has created 46 new units of housing. The City is also investing in our own housing portfolio by committing hundreds of thousands of dollars in capital upgrades, which will greatly improve the quality of life for our tenants. We are also working on plans to partner with private and other agencies to develop or make available land for new forms of housing.

Pension Liability

Unfunded liabilities in City sponsored pension plans are becoming a matter of increasing concern. Like all other pension plans, the City's pension funds have been adversely impacted by global economic conditions. Pension fund assets have lost value due to low interest rates and stock market decline. We are not alone, as virtually every pension plan in the country is grappling with the same issue. The unfunded liability in City pension plans is currently estimated at over $100 million.

The issue with the City's pension programs has been recognized for some time and the City has been making annual special payments of $3.2 million towards unfunded liabilities. However, recent actuarial valuations indicate that these special payments must increase to $7.8 million in 2013, and increase further to almost $10 million by 2014.

Pension Funding

	Unfunded Liability	Special Payments (millions of dollars)			
		2012	2013	2014	2015
City	$73.2	$2.4	$7.0	$7.0	$7.0
Metrobus	$30.6	$.8	$.8	$2.9	$2.9
Total	**$103.8**	**$3.2**	**$7.8**	**$9.9**	**$9.9**

In the coming year, the City will focus on development of a long-term strategy to address the pension challenge. All options must be considered, including changes to benefit levels and how much the City and its employees contribute to the plans. The City will be looking for the cooperation of our employees and their unions in this undertaking. The first order of business will be an examination of the Councillors' Pension Plan, which we hope to complete by June 30, 2013.

Looking beyond 2013

The cost of operating the City is forecast to be $274 million by 2015.

The forecasted expenditure of $274 million for 2015 does include the maintenance costs for the City assuming responsibility for the Team Gushue Highway Extension. Upon completion, this major regional trunk road will be transferred from the province to the City. The City will own and maintain it at a cost of approximately $1 million per year, without any support from surrounding municipalities, who will clearly benefit from this new road. If residents of Mount Pearl, Paradise, Conception Bay South and other surrounding communities expect to make it to work on time to their jobs in St. John's, more regional roads will be required in the future. The time has come to develop a regional transportation plan. The existing road network in and out of St. John's will not accommodate the traffic which will be generated by continued growth throughout the region. A deficient road network impacts the entire region, but will be especially difficult on those who commute to and from the City.

The City of St. John's is calling upon the provincial government and our municipal neighbours to begin dialogue towards development of a Regional Transportation Plan.

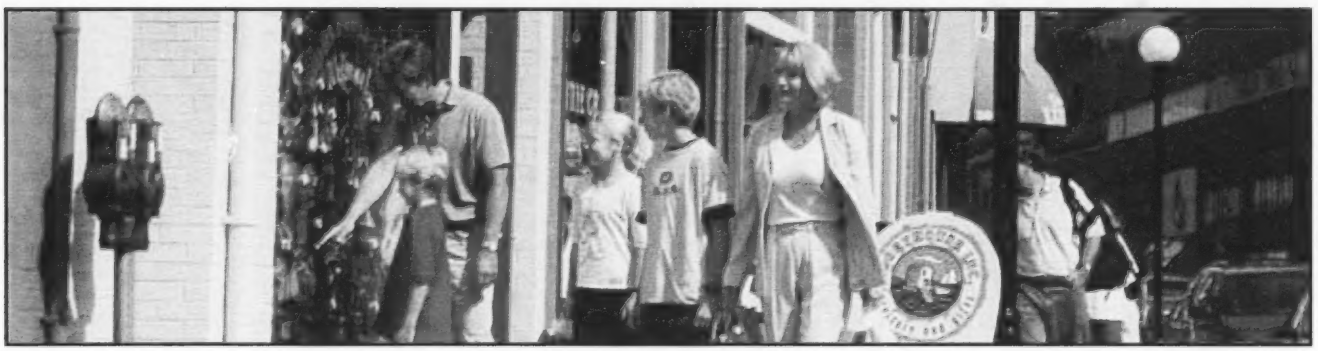
2012 Budget	2013 Budget	2014 Forecast	2015 Forecast
$235,600,000	$244,600,000	$267,600,000	$273,900,000

Three-Year Forecast

The City will continue its fiscally prudent approach to budgeting throughout the forecast period and efforts will be made to manage expenditures to below these forecast levels. There are, however, a number of factors which will contribute to expenditure growth:

- A number of major infrastructure projects, especially water treatment, have been undertaken in recent years. It is now time to refinance these investments. As a result, principle and interest payments on new infrastructure debt will increase by $5.6 million in 2014.
- As noted earlier, Bay Bulls Big Pond DAF Plant, Petty Harbour-Long Pond Treatment Plant and Riverhead Wastewater Treatment Plant should all reach full operational status in 2013, but only operate for part of that year. A full year of operation is reflected in the 2014 and 2015 forecast.
- Also, as indicated earlier, special pension payments will increase by $4.6 million in 2013, a further $2.1 million in 2014 and will continue at this level in 2015.

These three factors alone combine to increase annual operating costs by almost $23 million per year.



Infrastructure Plan

We must continually invest in infrastructure to support the delivery of essential public services. The primary focus in recent years has been water and wastewater treatment infrastructure. Approximately $280 million in federal, provincial and municipal funds will have been invested by the time projects are completed in 2013.

With the City's new water and wastewater treatment infrastructure in place we now have first class facilitites that will serve us well into the future. In upcoming years it is important that the City continue its investment into critical infrastructure and over the next three years projects within the City are estimated at well over $200 million, including contributions from the federal and provincial governments.

Major infrastructure investments will include:

- $60 million to expand the St. John's Convention Centre, which will position the City to attract larger conventions and other events. The entire region will benefit from this investment.
- $32 million to construct a new Wedgewood Park Community Centre, which will provide citizens of all ages with a high quality indoor recreation venue. The City is also open to discussions with other municipalities on regional utilization of this new facility.

Infrastructure Plan

- $35 million to replace aging water transmission mains, to improve the security of our water supply to residences and businesses.
- $40 million towards street and sidewalk rehabilitation to relieve traffic congestion and enhance road safety for drivers, cyclists and pedestrians.
- $15 million towards further development of parks, open spaces, trails and sports fields. This funding includes the revitalization of Bannerman Park and a new park for the Kenmount Terrace area.
- $3 million for a new Southlands Community Centre, to provide that neighborhood with a venue for social and recreational events.
- $5.7 million for the construction of a new west end fire station to enhance protection of residents and properties.
- $5 million for affordable and supportive housing projects.
- $15 million towards new buses for the public transit system.

The City looks forward to renewal of cost-sharing arrangements with both the federal and provincial governments, which will increase capital funding available for infrastructure, and allow us to add more projects to the list. We encourage both levels of government to create long-term, reliable programs that will allow municipalities to make strategic long-term plans to address infrastructure deficits.

Infrastructure Plan

The City must of course borrow to undertake capital projects, but we must be mindful not to over extend ourselves.

The City's debt service ratio in 2012 is approximately 11.48 per cent and is a key factor in maintaining our favourable credit rating. With the additional debt incurred to undertake new projects, minus the debt we will pay off, the City's debt service ratio by 2015 is forecast to remain in the 11 to 12 per cent range.

The City will continue to make prudent and strategic infrastructure investments while being mindful of the importance of maintaining our positive credit rating.

Tax revenue

Property and water taxes account for 85 per cent of the City's discretionary revenue.

	2012 Value	Percentage
Residential Property Tax	70,615,000	37.0
Business Property Tax	29,625,000	15.5
Business Occupancy Tax	25,550,000	13.4
Water Tax/Grants	37,700,000	19.8
Utility Tax	6,100,000	3.2
Federal PILT	2,000,000	1.0
Provincial MOG	3,411,000	1.8
Provincial Water Tax Grant	2,100,000	1.1
Parking Permits/Meters/Fines	3,750,000	2.0
Building Permits/Inspections	3,444,000	1.8
Recreation Program Fees	1,613,000	0.9
Other	4,828,000	2.5
Total	**$190,736,000**	**100%**

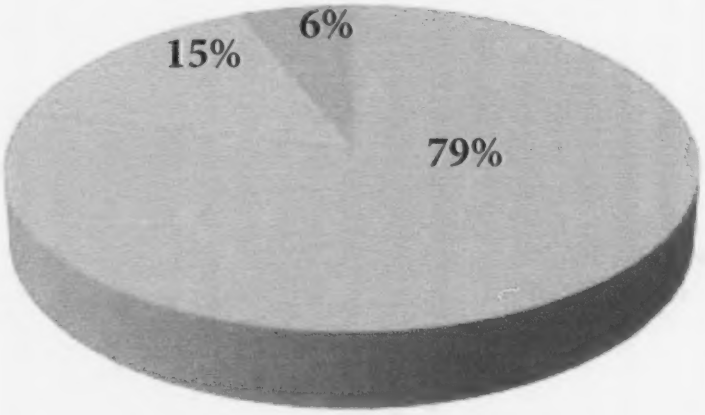
Water Tax

Water tax is set at a level necessary to recover the full annual cost of water and wastewater treatment. These treatment costs are estimated at $36.7 million for 2013, and forecasted to grow to $42.6 million by 2015.

The capital and operating costs of new treatment facilities increase the supply and improve the quality of drinking water. However, while this undoubtedly increases costs, the safety and supply of our drinking water system is perhaps the most important function of a municipal government. And increased expenditure on water and wastewater treatment is well justified.

Water tax revenue must therefore increase by about $1.5 million in 2013 to match expenditure growth.

Share of Water Tax



Residential consumption presently accounts for about 39 per cent of total water utilization, although residential users contribute 79 per cent of the total costs of providing water to the City.

The commercial-institutional sector, which includes the provincial government, consumes 61 per cent of the water produced, however they only contribute 21 per cent of the total costs.

Water Tax

There is clearly a significant imbalance in the distribution of water tax burden between residential and business users. Council will start to correct this inequity in 2013:

- There will be no water tax increase for residential users in 2013. The Residential Water Tax rate will remain frozen at its 2012 level of $615.
- The Commercial Water Tax rate will be increased from $0.88 per cubic meter to $1.32 per cubic meter. The Commercial Meter Rates will be reduced by 20 per cent. The net effect will be a 27 per cent increase in the Water Tax revenue collected from the commercial sector.

Further review will be undertaken in 2013 before residential and commercial water rates are set for 2014 and 2015.

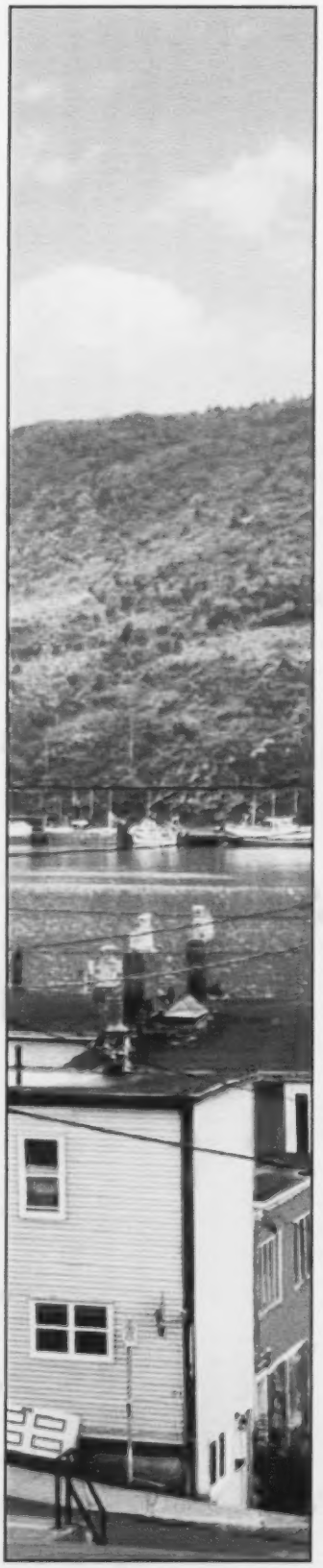
Property Tax

As a result of the property re-assessment process, the value of our residential property tax base has increased by 47 per cent, up to $10 billion. The value of the commercial base has increased by 31 per cent, up to $2.3 billion:

Assessed Values (billions of dollars)

	2010 Value	2013 Value	Increase
Residential	$6.8	$10	47%
Commercial	$1.8	$2.3	31%

The current tax rate on residential property is 10.6 mils, and the effective commercial tax rate is 31.4 mils. If these tax rates were to remain in effect, the City would collect more tax than is required to cover the cost of municipal services. In fact, at current tax rates with new property values we would collect about $40 million more than we need for 2013 based on our projected expenditures.



Property Tax

The City has been vigilant in its efforts to restrict expenditure growth. We have been just as vigilant in keeping tax rates at reasonable levels. We will only tax at the level necessary to sustain our services. Therefore, effective January 1, 2013:

- The Residential Property Tax rate will be reduced from its existing level of 10.6 mils, to 8.1 mils.
- The Business Property Tax rate will be reduced from an effective level of 31.4 mils to 26.2 mils.

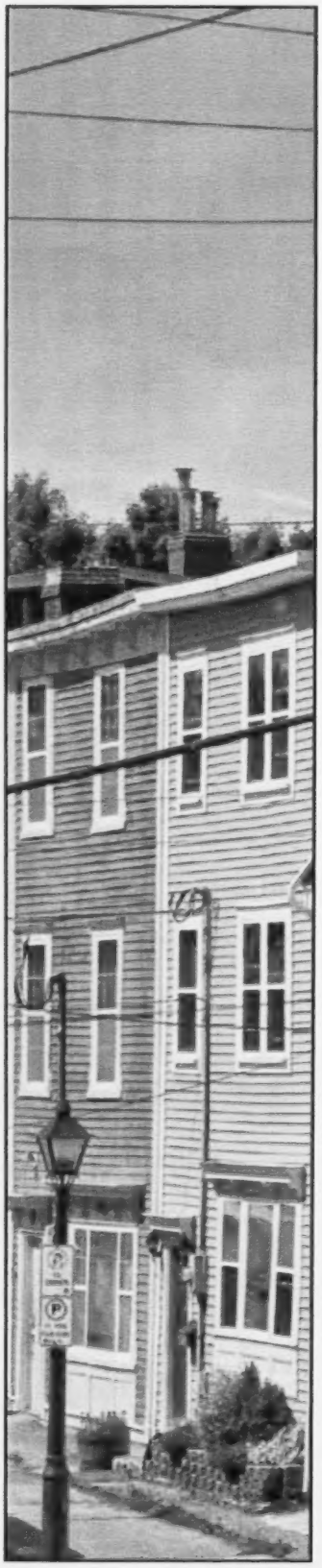
These tax rate reductions will have the effect of mitigating much of the impact of rising property values. For instance, if your property was valued at $175,000, it is now probably valued at approximately $259,000, an increase in value of approximately 48 per cent. Because of the reduction in mil rate, the actual property tax paid will increase from $1,855 to $2,103, an increase of $248, or 13.4 per cent.

Please note that all properties did not increase in value by the same amount. There are many variables that affect a property's value. Some $175,000 properties increased in value by more than 48 per cent and some by a lesser amount. The actual impact of these tax rate reductions will vary from property to property, based on changes in assessed value.

Average Taxpayer Increases

Property Value 2010	Property Value 2013	Increase	Tax Bill 2012	Tax Bill 2013	Increase
125,000	191,000	53%	$1,325	$1,550	$225
175,000	259,000	48%	$1,855	$2,103	$248
225,000	322,000	43%	$2,385	$2,611	$226
275,000	381,000	38%	$2,915	$3,094	$179
325,000	444,000	36%	$3,445	$3,603	$158

2014-15 Revenue Forecast

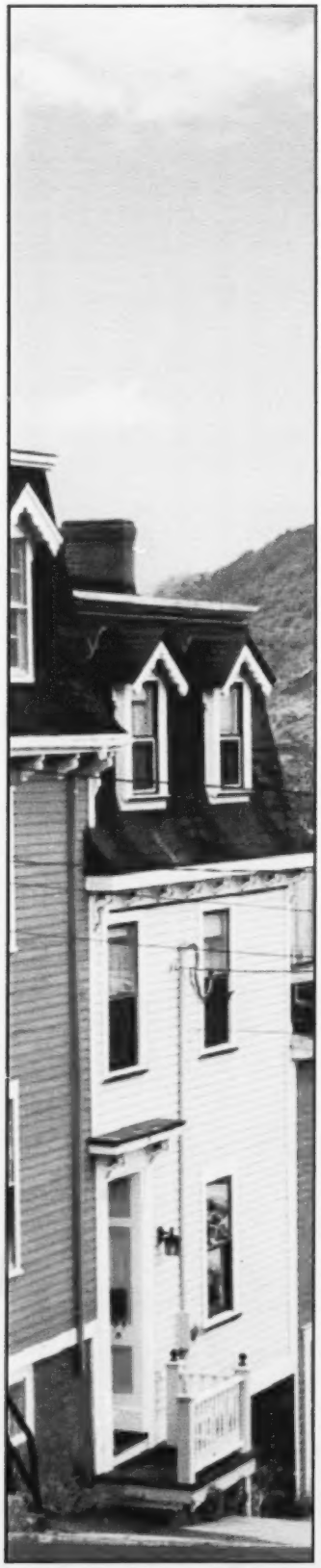


Based on the expenditure forecast for 2014 and 2015, property tax rates may have to be adjusted again in 2014 and 2015. The residential rate may increase to 8.78 mils in 2014, and then to 9.2 mils in 2015. Commercial rates are forecast to increase to 27.6 mils in 2014, and then to 28.4 mils in 2015.

These are forecasted rates which will be subject to confirmation, or adjustment, in the 2014 and 2015 budgetary processes. The final mil rate determination for those years could depend significantly on factors outside the exclusive control of the City:

- Should the provincial government ever agree to a new fiscal relationship which, among other things, would permit the City to collect property tax on provincial properties and relieve us of the obligation to pay HST, tax rates could be reduced.
- Should the federal and/or provincial governments not renew present infrastructure cost-sharing arrangements, tax rates could increase if the City must cover a larger share of capital costs.
- The status of municipal pension funds and the future direction of investment returns, benefit levels and contribution rates could have a positive or negative effect on tax rates.
- There are a whole range of other variables that could impact tax rates in a positive or negative fashion on a go-forward basis.

The City will continue to push for a new fiscal relationship with the province, as well as long-term reliable infrastructure programs from the federal and provincial governments. We also commit to managing those issues within our control to the best of our ability with the interests of our taxpayers always in mind.



Other Revenue Sources

In terms of other sources of revenue, most are expected to remain relatively stable, or see moderate growth over the next three years.

- Accommodation Tax will increase from 3 to 4 per cent upon approval of the provincial government. Tax Revenue should increase from $2.1 million to $3.8 million by 2015. This revenue source will be used to pay for the St. John's Convention Centre and support the marketing initiatives of Destination St. John's.
- Utility Tax is forecast to grow from $6.1 to $7.4 million by 2015, with no change to the present 2.5 per cent tax rate.
- There will be several fee increases, as the City adjusts fee levels to be more reflective of the cost of providing services. A survey of other jurisdictions clearly indicates our fees are below those of other comparable Canadian cities. Perhaps most significant is an increase in the Development Fee from $1,000 per residential lot to $2,000. This fee will also be applicable to commercial developments. The current $1,000 fee has been in effect since 2004. Development Fee revenue is 100 per cent dedicated towards growing and maintaining our network of parks, open spaces and playgrounds. Those costs have increased significantly since 2004, and there is a need to expand the network.

Additional fee revenue of approximately $800,000 is expected from these fee increases.

Fee Increases		
	2012 Fee	2013 Fee
Development Fee	$1,000	$2,000
Application Fee	$100	$200
Rezoning Fee	$100	$500
Plan Amendment Fee	$300	$500
Street Excavation Permit	$50	$300

Municipal Operating Grant

For budgetary purposes we are assuming that the City's Municipal Operating Grant will remain stable at $3.4 million for the next three years.

The City will continue to press our provincial government for long overdue changes to the provincial-municipal fiscal relationship. Unfortunately, we have received no formal response to the proposals we advanced to the provincial government over a year ago. While we understand that the Honorable Minister of Municipal Affairs is considering changes to the Municipal Operating Grant formula, we have absolutely no idea what he has in mind, because we have not been consulted at this point.

Conclusion

The City has exercised best efforts in containing 2013 expenditure growth to a very modest 3.8 per cent. This has allowed us to significantly reduce both the residential and commercial property tax rates.

Unfortunately, the benefit of these tax rate reductions cannot be evenly distributed among all taxpayers. Property value is the foundation of our current municipal taxation system. Everyone's property is not increasing by the same value, and the impact of tax rate reductions will therefore vary. But, property tax is the City's primary source of revenue at this point and we unfortunately have no choice but to do it this way.

It is still our hope that the provincial government will seriously consider proposals which have been advanced by the City and Municipalities Newfoundland and Labrador for a new fiscal relationship. Tinkering with the existing municipal operating grant is simply not enough.

APPENDIX 1: REVENUE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
Taxation:			
41112 Residential Realty	$70,615,000	$71,603,617	$77,083,000
41121 Business Realty	$29,625,000	$29,556,247	$51,829,000
41400 Business Occupancy	$25,550,000	$25,572,828	$0
44410 Water Sales and Tax	$43,860,088	$44,199,724	$47,621,712
41940 Accommodation Tax	$2,100,000	$2,128,690	$3,230,000
41991 Utility Tax	$6,100,000	$6,781,691	$7,000,000
	$177,850,088	$179,842,797	$186,763,712
Grants In Lieu Of Taxes:			
42100 Govt. Of Canada	$1,500,000	$1,542,080	$3,000,000
42200 Govt. Canada Agencies	$535,000	$522,151	$535,000
42300 Water Tax Grant	$2,100,000	$2,141,964	$2,100,000
42400 Govt. NL Agencies	$60,000	$0	$0
	$4,195,000	$4,206,195	$5,635,000
Sales Goods & Services:			
44100 General Government	$1,772,785	$1,808,660	$1,739,360
44300 Transportation	$2,278,804	$1,993,776	$1,955,899
44400 Environmental Health	$614,700	$930,784	$397,120
44435 Tipping Fees	$10,269,340	$11,760,632	$11,395,100
44700 Recreation	$1,602,767	$1,589,681	$1,585,624
44900 Other General	$528,798	$2,155,124	$342,699
	$17,067,194	$20,238,657	$17,415,802
Other Revenue Own Sources:			
45120 Business Licences	$114,700	$159,271	$163,980
45170 Construction Permits	$3,443,720	$4,229,715	$3,418,720
45200 Fines	$1,750,000	$2,043,331	$2,126,293
45300 Rents & Concessions	$14,750	$407,163	$13,500
45500 Investment Interest	$6,000	$6,000	$5,000
45600 Interest Tax Arrears	$1,470,000	$1,497,647	$1,600,000
	$6,799,170	$8,343,127	$7,327,493
Grants Other Governments:			
47530 Recovery Debt Charges	$17,495,669	$17,495,669	$17,523,459

APPENDIX 1: REVENUE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
47550 Real Program Grants	$225,000	$269,578	$225,000
47598 Municipal Opr. Grant	$3,411,430	$3,411,430	$3,411,430
47110 Federal Gas Tax Rebate	$4,182,853	$4,182,853	$4,182,853
47100 Other Grants	$255,249	$272,017	$325,010
	$25,570,201	$25,631,547	$25,667,752
Other Transfers:	$4,195,923	$3,548,262	$1,800,000
49201 Assessments	$4,195,923	$3,548,262	$1,800,000
Total Revenue	**$235,677,576**	**$241,810,585**	**$244,609,759**

Appendix 2: Expenditure Projection

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
General Government:			
General Administrative:			
1111 Mayor & Councillors	$649,211	$642,261	$652,060
1112 Mayor's Office	$13,180	$22,589	$11,890
1115 Public Recept. & Events	$174,353	$148,872	$180,639
2531 Emergency Control	$98,910	$64,585	$111,668
1212 Admin-Admin.Services	$733,656	$693,856	$701,248
1213 Human Resources	$325,373	$306,502	$350,904
1214 Benefits Administration	$189,408	$192,480	$197,186
1215 City Solicitor	$312,586	$325,970	$334,806
1216 Employee Wellness	$784,198	$764,445	$789,938
1217 Employee Development	$628,785	$603,705	$612,043
1218 Employee Relations	$608,380	$598,688	$675,864
1219 569 Hr Administration	$684,052	$694,123	$678,920
1220 Legal Services	$888,865	$843,341	$894,909
1221 Admin. Finance	$475,997	$490,054	$507,353
1222 Financial Services	$1,252,982	$1,232,960	$1,291,475
1223 Budgetary Services	$301,816	$300,092	$311,477
1224 Asset Reporting	$134,763	$98,395	$137,592
1231 Assessment	$1,302,217	$1,414,960	$1,370,187
1241 Revenue Accounting	$1,133,914	$1,128,309	$1,171,323
1250 Property Management	$659,164	$639,698	$523,305
1251 Office Services	$968,750	$955,815	$1,023,589
1252 Mtce.City Hall	$625,551	$614,158	$675,022
1253 Electrical Mtce.	$613,290	$577,499	$633,695
1254 Mtce. City Hall Annex	$201,325	$207,217	$209,751
1255 Building & Facility Maintenance	$0	$0	$402,906
1256 Mtce. Of Fire Dept	$325,626	$323,275	$336,998
1257 Mtce Cn Station	$199,020	$182,195	$201,766
1258 Mtce Civic # 245 Freshwater Rd	$0	$0	$208,688
1259 Mtce. Conway Bldg.	$54,660	$40,489	$57,341
1261 Purchasing	$570,663	$571,310	$616,273
1262 Stores/Inventory	$747,544	$763,616	$787,472
1268 Admin. Corporate Services	$297,848	$287,469	$264,457
1269 Internal Audit	$247,146	$185,563	$237,147

Appendix 2: Expenditure Projection

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
1270 Corporate Communications	$107,707	$89,668	$109,950
1272 End User Support	$3,695,825	$3,670,550	$3,813,884
1274 Service Centre	$1,581,542	$1,593,354	$1,629,609
	$21,588,307	$21,268,063	$22,713,335
Pensions & Benefits:			
1290 Pensions	$1,175,760	$1,140,724	$1,275,760
1297 Lumpsum Sick Leave	$700,000	$753,972	$700,000
	$1,875,760	$1,894,696	$1,975,760
Engineering:			
1311 Admin Eng.-Works	$277,867	$281,745	$291,394
1313 Development Control	$947,796	$896,263	$1,091,266
1314 Surveying	$575,134	$553,163	$590,498
1315 Traffic & Transportation	$1,539,049	$1,501,094	$1,623,574
1316 Steno-Clerical	$313,825	$318,241	$326,045
1317 Environmental Initiatives	$0	$1,562	$0
1318 Engineering Information Services	$1,061,650	$1,049,492	$1,187,778
1319 Construction	$920,794	$859,635	$897,227
	$5,636,115	$5,461,195	$6,007,782
Other General Government:			
1931 Liability Insurance	$688,929	$672,181	$705,142
1995 Municipal Elections	$0	$6,191	$358,140
	$688,929	$678,372	$1,063,282
Total General Gov't	$29,789,111	$29,302,326	$31,760,159
Protective Services:			
Fire & Traffic:			
2141 Parking Enforcement	$2,322,456	$2,280,409	$2,372,919
2142 Crossing Guard Program	$128,620	$76,821	$111,549
2491 Fire Protection	$19,799,945	$19,258,561	$20,107,648
2498 East End Storage Bldg.	$504,729	$461,904	$67,875
	$22,755,750	$22,077,695	$22,659,991
Protective Inspections:			
2921 Admin. Build. & Dev	$298,108	$326,698	$355,782
2922 Bldg. Inspection	$634,585	$609,379	$625,278

Appendix 2: Expenditure Projection

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
2923 Elect. Inspection	$686,283	$645,283	$699,079
2924 Plumb. Inspection	$276,226	$230,531	$302,778
2925 Steno-Clerical.	$327,798	$321,820	$362,993
2926 Water Meter/Plumbing Mtce.	$83,358	$76,775	$87,163
2927 Miniumn Standards	$1,380,195	$1,347,245	$1,408,250
2929 Taxi Inspections	$199,775	$177,773	$196,767
	$3,886,328	$3,735,504	$4,038,090
Other Protective Services:			
2931 Animal & Pest Control	$1,000,693	$995,010	$1,084,615
2932 Animal Control Facility	$81,718	$65,906	$84,204
	$1,082,411	$1,060,916	$1,168,819
Total Protective Services	$27,724,489	$26,874,115	$27,866,900
Transportation Services:			
Streets Department:			
3011 Admin. Public Works	$839,198	$845,807	$873,882
3211 Admin. Streets & Parks	$2,218,999	$2,211,241	$2,226,714
3221 Mtce. Of Roads	$6,727,957	$6,682,813	$7,097,254
3231 Snow Clearing	$15,274,437	$15,208,192	$15,412,594
3241 Works Depot Mtce	$1,651,302	$1,578,502	$1,759,871
3242 Mtce Of Asphalt Recycling Facility	$0	$0	$15,396
3252 Traffic Signs & Lgts	$540,507	$537,474	$598,678
3253 Street Markings	$1,172,325	$1,207,341	$1,391,522
3262 St. Cleaning By Hand	$199,254	$157,852	$231,726
	$28,623,979	$28,429,222	$29,607,637
Other Transportation Services:			
3521 Parking Meters	$476,733	$436,467	$894,708
3561 Street Lighting	$4,300,000	$4,206,706	$4,200,000
3591 Subsidy Metrobus	$10,500,000	$10,427,439	$11,093,720
3592 Paratransit Trans.	$1,852,917	$1,880,131	$1,874,989
	$17,129,650	$16,950,743	$18,063,417
Total Trans. Services	$45,753,629	$45,379,965	$47,671,054

APPENDIX 2: EXPENDITURE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
Environmental Health:			
Water Department:			
4111 Admin. Water	$1,996,248	$1,979,804	$2,026,620
4121 PHLP Water Treatment Plant	$0	$0	$593,536
4122 Water Treatment	$10,192,396	$9,869,155	$11,017,992
4123 Regional Water Sys.	$7,996,518	$7,728,905	$10,475,142
4124 Mtce Pvr/Booster Stations	$439,329	$364,025	$454,955
4131 Mtce Water Mains	$8,519,930	$8,445,726	$8,787,144
4132 Water Metering	$323,815	$300,102	$315,243
	$29,468,236	$28,687,717	$33,670,632
Sewer Department:			
4225 Waste Water Treatment Plant	$10,246,553	$9,214,393	$10,092,237
4226 Sewer Pump Stations	$743,965	$519,218	$653,385
	$10,990,518	$9,733,611	$10,745,622
Sanitary Department:			
4321 Garbage Collection	$4,744,754	$4,654,874	$6,550,403
4322 Waste Diversion Project	$497,373	$443,248	$444,010
4323 Curbside Recycling Program	$1,621,462	$1,622,355	$0
4331 Garbage Disposal	$7,987,263	$9,643,533	$7,556,967
4332 Bldg Mtce Robin Hood Bay	$133,775	$109,203	$138,532
4333 Material Recovery Facility	$1,565,280	$1,511,814	$1,566,067
4334 Rhb Residential Drop Off Facility	$895,739	$883,267	$806,455
4335 Eastern Waste Mangement Regional Service Board Administration	$1,936,831	$1,936,831	$3,000,000
	$19,382,477	$20,805,125	$20,062,434
Total Environ. Health	$59,841,231	$59,226,453	$64,478,688
Environmental Development:			
Planning :			
6113 Planning and Development	$1,056,924	$1,075,204	$1,095,124
6118 Downtown Revital.	$250,000	$286,491	$250,000
	$1,306,924	$1,361,695	$1,345,124

APPENDIX 2: EXPENDITURE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
Housing And Real Estate:			
6330 Real Estate - Legal	$240,173	$221,583	$242,534
6341 Real Estate	$16,700	$4,451	$16,700
6342 Rental Housing Projects	$493,544	$761,741	$493,544
6343 Avalon Visitor's & Convention Bureau	$925,000	$925,000	$1,250,000
6391 Non-Profit Housing Admin	$294,037	$294,314	$297,517
6392 Non-Profit Housing Mtce.	$636,214	$612,206	$654,681
	$2,605,668	$2,819,295	$2,954,976
Tourism & Economic Development:			
6611 Promotions Admin.	$865,297	$828,981	$921,250
6612 Tourism Development	$481,020	$393,149	$470,519
6613 Visitor's Services	$127,536	$128,159	$140,941
6616 Economic Development	$256,581	$199,960	$260,403
6618 Special Projects	$155,309	$155,243	$167,127
6619 Business Services	$87,013	$81,736	$90,981
6624 Mtce. Gentara Bldg.	$296,122	$274,419	$298,137
6625 Quidi Vidi Visitor Centre	$60,240	$28,857	$62,290
	$2,329,118	$2,090,504	$2,411,648
Total Envir Development	$6,241,710	$6,271,494	$6,711,748
Recreation & Parks:			
Parks Division:			
7121 Municipal Parks	$1,848,546	$1,829,871	$1,895,386
7122 Passive Open Space	$2,363,103	$2,341,076	$2,389,157
7123 Active Sports Fac	$529,572	$518,693	$658,572
7124 Mtce Playgrounds	$797,535	$785,135	$807,119
7125 Mtce.Buckmasters Rec	$93,348	$89,563	$97,526
7126 Horticultural Mtce.	$1,038,949	$1,009,305	$1,081,469
7127 Mtce.Rotary Park	$80,993	$69,487	$87,437
7130 Mtce.Mews Centre	$200,580	$198,616	$208,523
7131 Aquatic Mtce. Parks	$199,056	$265,483	$217,370
7133 Mtce. Rotary Chalet	$40,910	$43,070	$47,555
7134 Mtce. Sports Buildings	$222,543	$208,893	$254,013

APPENDIX 2: EXPENDITURE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
7135 Snow Clearing Steps	$584,926	$571,590	$592,580
7136 Mtce. Shea Heights Comm. Cen.	$64,110	$56,618	$74,228
7137 Wedgewood Park Fac.	$109,490	$108,119	$112,218
7138 Mtce. Kilbride Rec. Centre	$60,205	$63,604	$70,213
7139 Mtce Southlands Community Center	$0	$0	$0
7141 Mtce. Anna Templeton Centre	$19,000	$21,227	$19,000
7225 Bow. Park Bldg Mtce.	$79,590	$76,305	$83,303
	$8,332,456	$8,256,655	$8,695,669
Recreation:			
7301 Adminsitration Recreation	$829,823	$810,012	$859,299
7305 Corporate & Commun. Affairs	$1,328,011	$1,299,904	$1,395,838
7311 Program Admin.	$922,138	$869,621	$938,737
7315 Recreation Information Serv	$112,119	$104,624	$115,100
7321 Operation Summer Rec. Prg.	$337,805	$346,520	$342,770
7322 Aquatics	$104,870	$91,781	$105,504
7324 Program & Services Admin	$447,303	$446,387	$456,535
7325 Facility Operations	$554,296	$567,251	$567,569
7329 Program & Services	$559,464	$549,192	$522,719
7330 Goulds Rec. Services	$153,600	$153,600	$157,100
7331 Wedgewood Park Rec.	$364,427	$402,050	$374,301
7332 Wedgewood Park Programs	$438,612	$396,125	$409,495
7333 Seniors Outreach	$116,426	$95,413	$124,333
7334 Bannerman Park Pool	$72,230	$91,433	$71,970
7335 Other Facility Operations	$144,400	$119,845	$143,798
7336 Shea Heights Comm. Cen.	$177,298	$168,906	$183,362
7337 Southlands Community Centre	$0	$0	$0
7338 Kilbride Community Centre	$186,814	$178,928	$192,333
7341 Minor Soccer Program	$900,444	$812,576	$955,832
	$7,750,080	$7,504,168	$7,916,595
Other Recreational & Cultural Services:			
7445 Civic Centre Corporation	$1,000,000	$1,000,000	$750,000
7551 Grants & Subsidies	$1,258,000	$1,447,028	$1,333,000
7911 Municipal Archives	$238,490	$203,511	$245,399
7910 Cultural Development	$180,519	$114,793	$177,921

APPENDIX 2: EXPENDITURE PROJECTION

	Approved Budget 2012	Projected for Fiscal 2012	Projected Budget 2013
7912 Railway Coastal Museum	$462,098	$413,504	$462,098
	$3,139,107	$3,178,836	$2,968,418
Total Recreation & Cultural	$19,221,643	$18,939,659	$19,580,682
Fiscal & Transfers:			
Debt Charges:			
8111 Short Term Debt	$240,000	$68,396	$120,000
8121 Long Term Debt	$132,384	$201,800	$201,980
8131 Debenture Debt	$27,954,160	$28,325,850	$27,422,882
8191 Other Debt Charges	$36,000	$71,534	$405,000
Total Fiscal Services	$28,362,544	$28,667,580	$28,149,862
Other Transfers:			
8211 Prov. For Allowances	$1,050,000	$1,127,054	$1,550,000
8990 Capital Expenditures	$15,499,103	$15,576,831	$11,756,620
Total Other Transfers	$16,549,103	$16,703,885	$13,306,620
Total:	$233,483,460	$231,365,479	$239,525,713
Payroll Costs:			
1295 Payroll Costs	$2,117,996	$2,884,746	$5,171,421
Mechanical:			
3111 Administration	$1,279,067	$1,172,329	$1,314,343
3121 Mtce.Heavy Equipment	$8,219,914	$7,957,916	$8,432,032
3123 Robin Hood Bay Equip.	$577,139	$556,783	$625,988
3129 Recovery Fleet Rental	-$10,000,000	-$10,000,003	-$10,459,738
Total Mechanical:	$76,120	-$312,975	-$87,375
Total Expenditure:	**$235,677,576**	**$233,937,250**	**$244,609,759**

Appendix 3: City Net Consolidated Debt

Bonds Outstanding	Interest Rate	Maturity Date	Funds in Reserve to Retire Debt
70,000,000	4.62%	2031/08/11	2,983,910.92
6,000,000	9.160%	2013/09/16	6,853,621.81
5,000,000	9.400%	2015/10/06	4,344,958.27
7,000,000	6.840%	2020/12/18	4,164,813.69
15,000,000	7.380%	2021/06/01	7,684,440.29
16,500,000	7.250%	2022/04/26	6,077,204.28
11,000,000	6.680%	2023/02/13	5,085,830.75
25,000,000	6.162%	2024/02/26	8,898,313.55
18,000,000	5.534%	2025/06/02	5,612,036.62
25,000,000	5.300%	2026/03/16	6,213,497.97
35,000,000	4.975%	2026/12/07	13,179,412.44
15,000,000	5.400%	2027/12/21	2,127,127.58
27,000,000	5.539%	2029/11/27	2,152,815.56
275,500,000			**75,377,984**

Net Debenture Debt December 31, 2012	200,122,016
Add other long term debt:	28,508,213
Less borrowed on behalf of Province	(26,449,786)
City Net Consolidated Debt December 31, 2012	**202,180,443**
2013 Cash Debt Servicing Charges	**25,336,817**
Less provincial and Municipal Recoveries	(6,290,124)
Net Cash Debt servicing	**19,046,693**

APPENDIX 4: OPERATING EXPENDITURE

Expenditure Category	Budget 2012	Budget 2013	Forecast 2014	Forecast 2015
Mayor & Councillors	662,390	1,022,090	672,297	672,297
City Manager	559,732	571,952	586,814	594,445
Legal Department	1,129,039	1,137,443	1,096,484	1,107,020
Tourism/Economic Development	2,153,275	2,229,142	2,201,139	2,167,034
Human Resources	3,220,197	3,304,855	3,336,000	3,342,285
Corporate Services	10,963,086	11,346,983	11,578,405	11,799,786
Finance	4,617,677	4,822,964	4,887,551	4,903,813
Building/Property Management	11,857,740	12,452,138	12,628,682	12,819,615
Recreation	7,637,961	7,801,493	8,027,384	8,027,445
St. John's Sports & Entertainment	1,000,000	750,000	750,000	750,000
Planning	1,056,924	1,095,124	1,107,549	1,107,549
Engineering	27,941,224	29,902,945	35,266,604	35,651,209
Public Works & Parks	66,565,105	68,502,580	70,345,723	72,041,348
Fire	19,369,744	19,633,888	19,933,169	20,279,799
Debt Charges	28,362,544	28,149,862	33,987,282	33,999,367
Street Lighting	4,300,000	4,200,000	4,425,000	4,675,000
St. John's Transportation Comm.	10,500,000	11,093,720	14,141,102	14,642,532
St. John's Para-Transit Service	1,852,917	1,874,988	1,976,107	2,076,107
Regional Water System	7,996,518	10,475,142	11,995,864	12,178,944
Grants & Subsidies	1,258,000	1,333,000	1,358,000	1,358,000
Allowances	1,050,000	1,550,000	1,550,000	1,550,000
NLHC Non-Profit Housing	493,544	493,544	493,544	493,544
Contribution to Capital	15,499,103	11,756,620	15,414,952	16,316,556
Pensioners costs	2,818,000	5,871,430	6,959,430	8,411,430
Destination St. John's	925,000	1,250,000	1,250,000	1,250,000
Railway Coastal Museum	462,098	462,098	462,098	462,098
Business Improvement Assessment	250,000	250,000	250,000	250,000
Severance Pay/Retirement Allowance	1,175,759	1,275,759	1,400,759	1,525,759
Total above	235,677,577	244,609,760	268,081,939	274,452,982
Fines	1,764,750	2,139,793	2,139,793	2,139,793
Other Revenue	4,583,102	4,652,863	4,577,557	4,577,672
Transfers From Reserves	3,495,923	1,200,000	1,200,000	500,000
Civic Assessments	700,000	600,000	600,000	600,000
Total Above	**235,677,577**	**244,609,760**	**268,081,939**	**274,452,982**

APPENDIX 5: OPERATING REVENUE

Revenue Category	Budget 2012	Budget 2013	Forecast 2014	Forecast 2015
Realty taxes	100,240,000	128,912,000	139,307,000	145,208,000
Business Tax	25,550,000	0	0	0
Utility Tax	6,100,000	7,000,000	7,200,000	7,400,000
Water Tax	29,950,000	30,100,000	34,500,000	34,900,000
Water Sales Metered	5,630,000	6,700,000	7,700,000	7,800,000
Regional Wastewater Revenue	250,000	300,000	300,000	300,000
Accommodation Tax	2,100,000	3,230,000	3,600,000	3,871,000
Grants-In-Lieu	2,035,000	3,535,000	3,635,000	3,735,000
Grants-In-Lieu water tax	2,160,000	2,100,000	2,100,000	2,100,000
Capital Debt Sharing	17,575,669	17,513,844	22,971,438	22,861,308
Federal Gas Tax Rebate	0	89,615	89,615	89,615
Municipal Operating Grant	3,411,430	3,411,430	3,411,430	3,411,430
Regional Water Sales	7,995,088	10,473,712	11,994,434	12,177,514
Sales of Goods & Services	6,832,855	6,068,703	6,168,872	6,190,850
Tipping Fees	10,269,340	11,395,100	11,399,100	11,403,100
Interest	1,476,000	1,605,000	1,605,000	1,605,000
Licenses, Permits	3,558,420	3,582,700	3,582,700	3,582,700
Fines	1,764,750	2,139,793	2,139,793	2,139,793
Other Revenue	4,583,102	4,652,863	4,577,557	4,577,672
Transfers From Reserves	3,495,923	1,200,000	1,200,000	500,000
Civic Assessments	700,000	600,000	600,000	600,000
TOTAL REVENUE	**235,677,577**	**244,609,760**	**268,081,939**	**274,452,982**

APPENDIX 6: SCHEDULE OF TAX RATES AND FEES

City of St. John's
2013 Budget
2013 Schedule of Tax Rates

	2012	2013
Residential Properties	10.60 mils	8.10 mils
Commercial Properties	16.80 mils	26.20 mils
Business Tax (General rate)	17.33 mils	0.00 mils
Water Tax	$615.00	$615.00
Applies to Residential Units and Commercial Properties not taxed by water meter.		
Water by Meter Rates:		
Usage Rates:		
Per 1,000 Gallons	$4.03	$6.04
Per Cubic Metre	$0.88	$1.32
Monthly Base Charge:		
5/8" Meter	$36.62	$29.30
3/4" Meter	$55.02	$44.02
1.0" Meter	$91.60	$73.28
1.5" Meter	$183.09	$146.47
2.0" Meter	$292.06	$233.65
3.0" Meter	$584.71	$467.76
4.0" Meter	$934.65	$747.72
6.0" Meter	$1,826.90	$1,461.52
8.0" Meter	$2,922.20	$2,337.76
10.0" Meter	$4,199.29	$3,359.44

Other Rates/levies:

Companies defined under Utility Tax Act 2.5% of Gross Revenue